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TAGS: [PREL](#) [CG](#) [EFIN](#) [ETTC](#) [PGOV](#) [UNSC](#)
SUBJECT: DRC SANCTIONS: COMMITTEE CHAIR CALLS FOR MORE
NAMES

Classified By: Political Minister Counselor William Brencick,
for Reasons 1.4 (B and D).

¶1. (C) DRC Sanctions Committee Chairman, Peruvian PermRep de Rivero, recently called on members of the Committee to submit new names of individuals and entities for sanctions under resolution 1596. Both France and the UK would like to respond to the Chairman's call and submit new names for listing. However, they would both prefer to work with the United States to avoid a U.S. hold, in order to preclude the inadvertent suggestion that the U.S. does not support the sanctions regime. The French and the British suggest that action before the July 30 elections would contribute to the stability of the DRC. Therefore, the UK Mission prepared a paper, which outlines British thinking on how to proceed (para 2). The French have provided a list of possible names to sanction (para 3), which was also sent via e-mail to IO/PSC on June 7.

¶2. (C) Begin text of UK paper:

Listings for sanctions under UNSCR 1596: UK views

Individuals/entities we are in favor of listing:

UCI (Ugandan company)

We believe the Group of Experts, claim that UCI has brought from gold traders in the DRC who have financed illegal armed groups in the DRC is well-founded. This was well-documented in the Human Rights Watch (HRW) report &The Curse of Gold8 (2005), as well as in the Groups, own reports.

We consider this to constitute &provision of assistance8 to illegal armed groups, in breach of the arms embargo as per OP18 of SCR 1493 and OP1 of SCR 1596. In reaching this view, we take into consideration the fact that UCI is aware of the identities of its immediate suppliers, and cannot be unaware (following the Group,s direct contact with the company, as well as its reports) of the allegations against those suppliers.

UCI continues to trade, and has to our knowledge given no indication that it has altered its supplier base following the criticism of the Group. (This is in contrast to Argor and Hussar, as noted below.) Instead the company has denied the accusations, e.g. in writing to Hussar on 3 June 05 that &we

do not deal with and neither have we dealt with any persons involved in the arms trade or any persons that has been accused with human rights abuse⁸ despite admitting to HRW that Dr. Kisoni was a key supplier.

In these circumstances we support the Group,s recommendation to use sanctions as a coercive tool to prevent further violations of the arms embargo.

Machanga (Kampala, Uganda - gold trading company)

We propose listing Machanga for the same reasons as UCI. Machanga is documented as having bought from Ozia Mazio (now himself listed) in the Group of Experts report S/2005/30 (paras 116-126) and from Omar Oria in the HRW &Curse of Gold⁸ report. Both of these individuals, as noted in the reports, are collaborators and financial backers of Commandant Jerome and his FAPC illegal armed group.

Listing Machanga would not only be consistent with listing UCI; it would increase the effectiveness of the measures.

Dr. Kisoni Kambale (aka Dr. Kisoni) of Butembo, DRC (DRC national of Nande origin) Gold trader, owner of Butembo Airlines (BAL) and owner of Congocom gold trading house in Butembo. Phone 243 (0) 99 98383784

Dr. Kisoni is referred to in the Group,s confidential annex as &an economic proxy of the FNI⁸, and the Group documented his role in militia-financing gold trading (buying from the FNI and selling to UCI) in their report S/2005/30 paras 127-130. This is consistent with our knowledge of the situation. HRW,s &Curse of Gold⁸ report supports these allegations, and also refers to the use of Kisoni,s aeroplanes to fly in military supplies to the FNI.

It is our view that Kisoni,s support of the FNI constitutes &provision of assistance⁸ to illegal armed groups, in breach of the arms embargo as per OP1⁸ of SCR 1493 and OP1 of SCR 1596. We believe Kisoni poses a continuing risk in terms of his ability and willingness to finance armed groups in north-east DRC, and therefore propose listing him for targeted sanctions.

We also note that the Group has proposed listing UCI (and by extension Hussar and Argor) on the basis that UCI bought from traders such as Dr. Kisoni (see confidential annex, and S/2005/30) who were in close co-operation with armed groups. It therefore seems highly inconsistent to list UCI without listing those traders) such as Kisoni) who directly assisted the armed groups.

Omar Oria of Ariwara (Ugandan citizen, though born in DRC) Gold Trader. Married to Matoni Omar (Congolese) Phone 256 077 99 4100 and 256 077 36 84 95 and 256 077 33 95 75

Omar Oria is documented in the HRW &Curse of Gold⁸ report as collaborating with and financing Commandant Jerome,s illegal FAPC militia, particularly through sales of gold to Machanga. We therefore propose listing him for the same reasons as described above for Dr. Kisoni.

Individual/entities are against listing:

Hussar/Hussar Services (British companies)

Hussar is proposed for listing by the Group of Experts on the basis of its having bought gold from UCI. Hussar stopped trading with UCI in May 2005 (a fact that the Group accepts). Trade in gold with Ugandan companies was only a small part of Hussar,s business, and has cost the company enormous damage to its reputation and its ability to continue as a

going concern. If the company does survive this damage and continues to operate, we judge there is virtually zero risk of it going back to trading with UCI or other companies which may be violating the DRC arms embargo. Applying sanctions could therefore only have a punitive, not a coercive, effect.

We oppose applying sanctions for punitive purposes as a matter of policy, and because of the higher level of evidence required (i.e. &beyond a reasonable doubt8 that a breach of the law has occurred). We do not consider it &beyond reasonable doubt8 that Hussar has violated the embargo; if we did, the company would already be subject to domestic legal proceedings.

We also take into account that:

--a) Hussar can reasonable claim to have been unaware that its activities could be considered to be in breach of the arms embargo. The company was buying from a licensed Ugandan exporter; in the absence of any sanctions against Uganda it would have been difficult for the company to know that buying gold from that country could constitute a breach of the arms embargo on the DRC. Private companies are highly unlikely to read reports to Sanctions Committees of Experts Groups, where such linkages are made. As mentioned above, when the company became aware that its activities might be considered to be in breach of the embargo, it stopped them.

--b) Hussar has co-operated fully with the Group of Experts, as evidenced by the following email from Kathi Austin referring to the assistance of the company and of Jonathan Graff, Hussar,s consultant.

&From: Kathiaustin-cs.com Sent: 08 June 2005 18:14

To: Julia-eaton-hussarbullion.com

Subject: ---SPAM---Re: meeting 6th June 2005

Dear Julia,

Thank you greatly for all of your assistance. These details are helpful. I am regular contact with Jonathan and he has been exceedingly cooperative at this stage.

Please note that the questions that we asked during the visit to your office were representative of the type of questions that we always ask during such missions. You should not take the object of any questions to necessarily mean that it is a target of suspicion.

Best regards, Kathi

Kathi Austin Arms Trafficking Expert UN Group of Experts on the DRC Pursuant to UNSCR 1596 (2005) US Cell: 1 202 250 9595 email: kathiaustin-cs.com8

Argor-Hereaus (Swiss company)

We oppose listing Argor for al the same reasons as described above in relation to Hussar.

Modeste &Mode8 Makabuza Ngoga

We do not believe there is currently sufficient evidence to support listing Makabuza. We do not dispute that Makabuza may have collaborated with Nkunda during the first half of 2004, but at that point Nkunda was not leading his own armed group, and there was no warrant for his arrest. Makabuza would have had little reason, and possibly not much option, not to collaborate with him to some extent.

We do not consider that the fact that Makabuza never asked for help from MONUC or FARDC to be indicative of his guilt. MONUC do not habitually provide support to private businesses, and dealing with FARDC would carry as many risks as dealing with any illegal armed group

We would consider provision of assistance to &men from Nkunda,s group8 in December 05 to be in breach of the embargo to which targeted sanctions might be an appropriate

response. But the Group of Experts quotes only one source) Colonel Kasikila) to support this allegation. We believe Kasikila is a fundamentally unreliable source, particularly since he is likely to view Makabuza as a rival in the mining business. We have not been able to confirm this allegation from any other sources ourselves, but would be interested to learn if other states have.

End text of UK Paper.

¶3. (SBU) Begin text of French paper:

Nota: La Liste ci-apres reprend les recommandations du groupe d'experts contenues dans l'annexe confidentielle a son rapport (en date du 18 avril 2006).

¶1. Personne physique

Nom familial: Makabuza
Nom personnel: Ngoga
Alias: Mode
Adresse, elements d'identification:
Station Jambo Safari SPRL
B.P. 231 Goma
Republique democratique du Congo
Motifs: Administrateur delegue de l'entreprise Somikivu.
Il possedait a ce titre la mine de Lueshe, lorsque celle-ci a servi de base a des groupes armes illegaux, notamment durant l'ete 2004, ceux du (general) Laurent Nkunda et du (colonel Jules Mutebutsi), sanctionnes par le comte le 1 novembre 2005. M. Makabuza, en apportant une assistance a ces groupes armes, a agi en violation des dispositions de l'article 20 de la resolution 1493 (2003).

¶2. Personnes morales

Raison sociale: Uganda Commercial Impex Ltd.
Adresse, elements d'identification:
Kajoka street
Kisemente, Kampala
Ouganda
Motifs: Societe exportatrice d'or se fournissant regulierement en minerai aupres de negociants etablis en Ituri, lesquels entretiennent des relations privilegiees avec les chefs de guerre operant dans cette region. Uganda Commercial Impex, en apportant une assistance a ces groupes armes, fut-elle indirecte, a agi en violation des dispositions de l'article 20 de la resolution 1493.

Raison sociale: Hussar Services
Adresse, elements d'identification:
Suite B, Bridge House
181 Queen Victoria street
Londres
EC4V 4DD
Royaume-Uni
Motifs: Un des principaux importateurs d'or congolais via Kampala, dont le commerce alimente des groupes armes operant dans l'Ituri. Les societes Hussar, en apportant une assistance au financement de tels groupes armes, ont agi en violation des dispositions de l'article 20 de la resolution 1493, confirmees et completees par l'article 1er de la resolution 1596 (2005).

Raison sociale: Hussar Ltd.
Adresse, elements d'identification:
Seaton House
P.O. Box No. 437
19 Seaton place
St. Helier
Jersey
JE4 OZE
Royaume-Uni
Motifs: Un des principaux importateurs d'or congolais via Kampala, dont le commerce alimente des groupes armes operant dans l'Ituri. Les societes Hussar, en apportant une

assistance au financement de tels groupes armes, ont agi en violation des dispositions de l'article 20 de la resolution 1493, confirmees et completees par l'article 1er de la resolution 1596 (2005).

End text of French paper.

BOLTON